

**STATEMENT OF TERRY VIRDEN, DIRECTOR, OFFICE OF TRUST  
RESPONSIBILITIES, BUREAU OF INDIAN AFFAIRS, U.S. DEPARTMENT OF THE  
INTERIOR, BEFORE THE SENATE COMMITTEE ON INDIAN AFFAIRS, HEARING  
ON S. 964, "TO PROVIDE FOR EQUITABLE COMPENSATION FOR THE  
CHEYENNE RIVER SIOUX TRIBE, AND FOR OTHER PURPOSES."**

**AUGUST 3,1999**

Good morning Mr. Chairman and members of the Committee. I am pleased to be here today to present the Department of the Interior's views on S.964. I want to thank Senator Daschle for introducing this important bill that addresses impacts to the Cheyenne River Sioux Tribe resulting from the Pick-Sloan Missouri River Basin program and in particular the development of the Oahe Dam and Reservoir project. If enacted, this bill would give the Tribe much deserved benefits to compensate for those impacts.

S.964 is a continuation of the United States' honorable efforts to correct inequities resulting from a regional Federal project which severely affected Indian tribal homelands along the Missouri River. In the early 1990's the United States forthrightly addressed impacts to the Standing Rock Sioux Tribe and the Three Affiliated Tribes of the Fort Berthold Reservation and in 1996 and 1997, respectively, addressed the impacts to the Crow Creek Sioux Tribe and the Lower Brule Sioux Tribe.

In 1944, the United States undertook the challenge to reduce flooding in the lower Missouri River Basin through the construction of monumental dams capable of harnessing the seasonal raging flows of the Missouri River. In addition, these dams could generate electrical power and needed hundreds of thousands of acres of land to serve as reservoirs for the storage of water for timed release. So great was the water resource that a whole regional economy grew from the electric power generated by these dams.

The preproject tribal economy, however, was based on working the rich wooded bottomlands along the Missouri River. These lands were flooded for the reservoir and the Tribe has never seen the former economy again. In addition, the importance of cultural treasures lost to inundation is now well- known. These are impacts that bring special meaning to the word "recovery" used in Purpose Number 2 of S.964.

While this is not the final chapter in addressing compensation for all of the river Tribes in the region, a step taken for the Cheyenne River Sioux Tribe will bring the United States closer to providing full equity to these Missouri River Tribes.

Although we support S.964, we are still concerned about the pay-as-you-go implications concerning the payment scheme to be used to arrive at the total figure for the Cheyenne River Sioux compensation. Additionally, as noted in testimony on S.1905 during the 105<sup>th</sup> Session, the Administration is concerned that this type of off-budget financing approach appears to be without cost. A more straightforward approach would be to rely on the authorization/discretionary

appropriation process. We will be happy to work with the Committee on developing a viable solution.

This concludes my testimony in support of S.964. I will be happy to respond to any questions you may have. Thank you.